

Testimony of John R. Pakutka,
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Member, The Speaker's Working Group on Small Business Healthcare,
in support of the Small Business Healthcare Bill, HB 5487
March 13, 2012

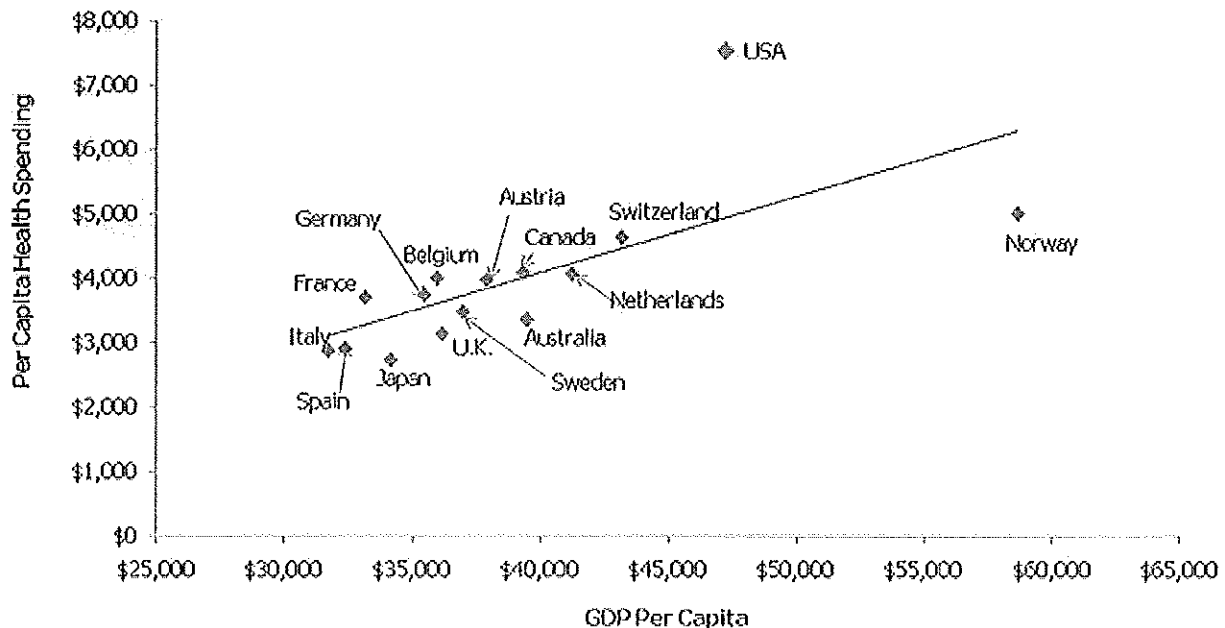
I would like to thank Speaker Donovan, Chairman Megna and the honorable members of this body for the opportunity to serve on this Working Group. It is indeed a privilege to have had an opportunity to serve the State.

Great leaders choose the right issues for focus at the right time. Speaker Donovan has chosen well here. I know because of my firm's work advising health care delivery systems around the country and analyzing issues of health policy and history in federal and state Courts. No issue is more important to our state's economy. No issue is more important to that foundation for personal happiness on which we all rely, good health.

Consider the following:

- (1) America's healthcare cost per person, now over \$8,000, is 30-50% higher than that of any other developed nation on Earth. See Figure 1.
- (2) CT's healthcare cost per person, \$8654 in 2009,ⁱ is the 3rd highest among the fifty United States.
- (3) And, for the 800,000 Connecticut citizens who work in small businesses, the cost of health insurance and thus, healthcare, is typically 18% higher than that of folks working for large businesses.ⁱⁱ

Figure 1: Comparative OECD Health Spending, 2007



These three facts, which I call the three strikes, do much to explain the difficulty in creating jobs for our state's residents. These high—and always rising-- costs are threats to first, good health, and second, adequate family income.

I am here to support the Speaker's bill today, HB 5487, because it could provide a number of mechanisms for those 800,000 small businesses employees in the state to pool together and gain strength in numbers when purchasing health insurance.

I would ask the honorable members of this Committee one thing. As you consider this bill and potentially similar ones having to do with the new Health Insurance Exchange, ask yourself the following questions:

- (1) Will the proposed changes make the weak buyer of health insurance and healthcare stronger?
- (2) Are the changes more likely to make the strong insurers and care delivery systems deal on more even terms with small business workers and individuals alike?

Any reforms that produce an answer of yes to these questions are progress.
Thanks for your attention today.

ⁱ See Kaiser Family Foundation, <http://statehealthfacts.org/comparemaptable.jsp?ind=596&cat=5>

ⁱⁱ See "The Economic Effects of Health Care Reform on Small Businesses and their Employees," Executive Office Of The President, Council Of Economic Advisers, July 25, 2009.